

Committee on Ways and Means

H.R. 1308, the *All-American Tax Relief Act of 2003* Examples of Acceleration of Increase in Refundable Child Credit

Example 1. Family of four with 2 children earning \$15,000 annually

	Current Law	HR 1308
Earnings	\$15,000	\$15,000
Taxable Income	0	0
Income Tax Liability	0	0
Payroll Tax Liability	1,148	1,148
Child Credit	450	675
Earned Income Credit	4,151	4,151
<u>Tax Liability After Credits</u>	0	0
Income Tax Liability	0	0
Payroll Tax Liability		
Government Payment	\$3,453	\$3,678

Example 2. Single mother with 2 children earning \$13,500 annually

	Current Law	HR 1308
Earnings	\$13,500	\$13,500
Taxable Income	0	0
Income Tax Liability	0	0
Payroll Tax Liability	1,033	1,033
Child Credit	300	450
Earned Income Credit	4,204	4,204
<u>Tax Liability After Credits</u>	0	0
Income Tax Liability	0	0
Payroll Tax Liability		
Government Payment	\$3,471	\$3,621